

AUGUST 31, 1964

UPI-72

(CIA)

WASHINGTON--REP. WRIGHT PATMAN, D-TEX., PUBLICLY DISCLOSED TODAY THAT THE CENTRAL INTELLIGENCE AGENCY (CIA) CONTRIBUTED MONEY TO A FOUNDATION UNDER INVESTIGATION BY THE INTERNAL REVENUE SERVICE (IRS).

PATMAN TOLD A HEARING OF A HOUSE SMALL BUSINESS SUBCOMMITTEE HE FEELS THAT HE WAS BREAKING A "CONFIDENCE" BECAUSE HE FELT HE HAD BEEN "TRIFLED WITH" BY THE CIA.

THE TEXAS DEMOCRAT SAID THE FOUNDATION RECEIVING THE MONEY WAS THE J. M. KAPLAN FUND OF NEW YORK CITY. THE IRS HAS BEEN INVESTIGATING THE FUND FOR SEVERAL YEARS TO DETERMINE WHETHER IT SHOULD RETAIN ITS TAX EXEMPT STATUS.

THE PATMAN SUBCOMMITTEE HAS BEEN LOOKING INTO THE TAX EXEMPT STATUS OF FOUNDATIONS AND WHETHER SOME FOUNDATIONS ARE TAKING ADVANTAGE OF IT.

8/31--GE120SP

UPI-77

ADD 1 CIA, WASHINGTON (UPI-72)

PATMAN'S DISCLOSURES PRODUCED SOME EMBARRASSMENT AMONG THE IRS WITNESSES, ACTING COMMISSIONER BERTRAND M. HARDING AND MATCHELL ROGOVIN, ASSISTANT TO THE COMMISSIONER.

THE TWO MEN REPEATEDLY TOLD PATMAN THAT IT WOULD BE BEST IF THE CHAIRMAN PUT HIS QUESTIONS TO CIA REPRESENTATIVES AND DID SO IN A SESSION CLOSED TO THE PUBLIC.

ON AUG. 10 ROGOVIN AND HARDING APPEARED BEFORE THE SUBCOMMITTEE IN CONNECTION WITH THE KAPLAN FUND. PATMAN HAD CHARGED THAT FINANCIER J.M. KAPLAN HAD USED THE FOUNDATION TO BUILD HIS BUSINESS EMPIRE.

AT ONE POINT DURING THAT SESSION, ROGOVIN, WHEN ASKED A QUESTION, WALKED TO THE SUBCOMMITTEE STAND AND SPOKE PRIVATELY WITH PATMAN. THAT DISCUSSION, IT BECAME APPARENT TODAY, SERVED TO INFORM PATMAN OF CIA'S INVOLVEMENT WITH THE KAPLAN FUND.

8/31--TD122PED

UPI-79

ADD 2 CIA, WASHINGTON

PATMAN SAID TODAY THAT HE HAD NOT PLANNED TO BRING A MATTER TOUCHING ON "FOREIGN AFFAIRS" OUT INTO THE OPEN BUT THAT HE HAD NOT BEEN ABLE TO GET ALL THE INFORMATION HE HAD REQUESTED FROM CIA.

"I FEEL I HAVE BEEN TRIFLED WITH," HE SAID.

PATMAN SAID A CIA OFFICIAL HAD TOLD HIM THAT THE "ARRANGEMENT" WITH THE KAPLAN FUND HAD BEGUN IN 1959 AND ENDED IN 1964. PATMAN SAID HE ASKED THE OFFICIAL FOR THE MONTHS IN THOSE YEARS AND WHO WERE THE CIA INDIVIDUALS WHO SELECTED THE KAPLAN FUND.

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